

## **Teacher, State Worker, Municipal Worker Pension Eligibility Rule of 90**

**2022-H 6626 (Fellela) and 2022-S 2058 (Ciccione)**

### **What the bills do**

- These bills impact state workers, teachers, and municipal workers in MERS.
- Currently, the normal retirement age for these three groups of employees is the person's normal social security retirement age (age 67 for most currently employed).
- Since 2015, these employees have been able to retire earlier than their normal social security retirement age if they met the "rule of 95", where age plus years of service equals at least 95. Specifically, the current law allows retirement of those age 62 with at least 33 years of service, age 63 with 32 years of service, age 64 with 31 years of service, or age 65 with at least 30 years of service.
- The bills would allow those who are at least age 60 with 30 or more years of service to retire (a "Rule of 90", where age plus years of service equals 90 or more)

### **Why the bills are important**

- The previous retirement changes, particularly the Raimondo-led efforts in 2011, were too harsh on active teachers, state workers and municipal workers. These individuals were already paying for almost their entire retirement benefit under the old law because of their high employee contribution. About half of the State's teaching positions do not participate in social security.
- Workers would benefit if they could retire earlier than the current plan allows. These workers are already paying a lot for their retirement and a large portion of their retirement payments is their own retirement accounts, not the traditional pension benefit.
- 401K participants can start drawing from their account at age 59 ½. Why shouldn't public employees have similar retirement eligibility?
- The bill could benefit public employers who may want to hire new staff at starting pay rates instead of having a top-step are already

**Please note that all pension bills require an analysis by the Employee Retirement System of Rhode Island pursuant to § 36-10-39. Fiscal impact of proposed legislation impacting the retirement system.**